

# AGENDA

**Oregon Local Program Committee Meeting**  
**September 25, 2008 - 8 a.m. – 10 a.m.**  
**1201 Court Street NE, Room 306**  
**Salem, OR 97301**

- |  |                |
|--|----------------|
| 1) Introductions and Welcome (5 Min.)  | Jon Oshel      |
| a) Housekeeping  |                |
| b) Review Notes from Last Meeting  |                |
| c) Agenda Revisions  |                |
| 2) Obligation of Federal Funds & Contingency<br>Plans Review (ARRA) (Attachment A) 30 Min. | Marty Andersen |
| 3) Reduction of Capacity on Freight Routes<br>(Attachment B) (15 Min.)                     | Marty Andersen |
| 4) Program Management<br>(30 Min.)   | Marty Andersen |
| 5) HB2001 Section 18 – Environmental<br>(30 Min.) (Attachment C)                           | Susan Vickers  |

**Adjourn**



# Oregon

Theodore R. Kulongoski, Governor

# Attachment A

Department of Transportation

Transportation Building

355 Capitol Street NE

Salem, Oregon 97301

August 28, 2009

File Code:

Re: Local Agency ARRA Projects  
Obligation of Federal Funds & Contingency Plans

Now that project selection and funding allocation have been completed, the next major milestone in the delivery of the ARRA funded projects will be the obligation of federal funds.

It is imperative that all Federal ARRA funds allocated to Oregon be obligated by March 1, 2010 so that Oregon qualifies for additional possible ARRA funding. To ensure that all the ARRA funds allocated to local agencies are obligated, each local agency must have a contingency plan in place to address the issue of spending all of their available ARRA funds. This is important because recent bids for construction projects have been coming in below the engineer's estimate.

Please work with your Local Agency Liaison to develop this needed contingency plan. If you do not have a contingency plan and your project bid comes in low, your unused ARRA funds may be withdrawn for use on other projects. The Oregon Local Program Committee will determine how unused ARRA funds will be applied.

Contingency plans could be a simple form with a check list or a prioritized list of options, such as:

We intend to:

1. Develop our project so that it exceeds available ARRA funding and cover the project cost, over available ARRA funding, with local funds. In the event the project comes in lower than expected, we plan to reduce the local funding amount before contract award.
2. Add an additional project which can meet the December 31, 2009 PS&E milestone. The project can be for the PE and/or R/W phases only with construction planned in the future using non-ARRA funds.
3. Negotiate an exchange of ARRA funds with another agency for non-ARRA funds.

**Important:** The use of Contract Change Orders (CCO) for the sole purpose of spending additional ARRA funding is no longer allowed by FHWA. CCO must be limited to those items of work that are critical to complete a project. Please coordinate with your Local Agency Liaison for guidance regarding the use of CCO. This coordination is vital because ODOT is responsible to approve all CCO for federally funded local agency projects.

August 28, 2009

Page 2

The Local Government Section, at the request of the Oregon Local Program Committee, shall use the following process/timeline for the reallocation of uncommitted or unspent local agency ARRA funds:

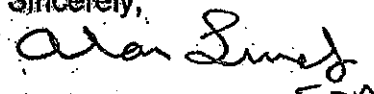
- September – Analyze existing projects and by September 15, 2009 send warning letters to local agencies whose projects will not meet the PS&E deadline of December 31, 2009. Local agencies will be given two weeks to identify a cure and get their project back on schedule to meet the PS&E milestone. Local agencies must submit a revised schedule to the ODOT Local Agency Liaison or Local Government Section by October 1, 2009. Additional projects to spend ARRA funds may be proposed by the local agency. These projects must meet the December 31, 2009 PS&E milestone.
- October – Analyze projects and send appropriate warning letters to local agencies as needed.
- November – ODOT will send letters to local agencies rescinding allocation of ARRA funds for projects which can not meet the December 31, 2009 PS&E milestone. Funds will be reallocated as noted below.
- December – PS&E Milestone, December 31, 2009.

The Local Government Section, as requested by the Oregon Local Program Committee, will use the following priorities in reallocation of ARRA funds. In all cases, the primary factor will be readiness to obligate funds before March 1, 2010. ARRA funds will be reallocated as follows:

1. To another local agency project within the same agency.
2. To another local agency project within the same ODOT region (or the same MPO if applicable).
3. To an existing ARRA or STIP project statewide that needs additional funds.
4. To an ODOT project.

Please send a copy of your contingency plan and/or additional projects to your Local Agency Liaison no later than September 15, 2009.

Sincerely,

  
Martin E. Andersen *FOU*  
Local Government Section

c: Local Agency Liaison

**Reduction of Capacity Requests to the OTC  
ORS 366.215**

Attachment B

This template describes the steps and documents needed to take a request for an exemption of ORS 366.215 to the OTC. The statute is located on page two. Communication should take place early on with MCTD and freight stakeholders about projects that may have the potential to reduce capacity. We need to think of a reduction of capacity the same way the freight stakeholders do - if they can get through the highway segment today, they want to get through there tomorrow. Assume that a project reduces capacity if this is condition is no longer true.

This template should be used for proposed projects in planning, project development and development review. The project sponsor is typically an ODOT planner or a project manager working in one of these technical areas and the proposed project. The project sponsor should document the outcome of each step and communicate with the local government (if appropriate) throughout this process.

The routes that are subject to this review are the OHP freight routes, the National Network and five additional routes (see attached map).

**STEPS**

**Step 1.** After receiving input from external stakeholders, MCTD and other ODOT staff on a proposed project, the ODOT project sponsor in collaboration with the stakeholders determines whether the project could result in a reduction of capacity.

**Step 2.** The ODOT project sponsor develops a preliminary recommendation that indicates whether ODOT would be in favor of the proposed reduction of capacity. Region management staff review this recommendation. The Regions need to confer with the Deputy Director on the ODOT staff recommendation if the local government and/or ODOT staff want to take the exemption request to the OTC.

**Step 3.** Based on the final ODOT staff recommendation, the project sponsor and/or the local government decide whether they would like the OTC to review the request for an exemption of the ORS. Per the statute, all reductions of capacity must be approved by the OTC.

**Step 4.** If the local government and/or ODOT staff decides to go forward with the request, the ODOT project sponsor prepares an OTC packet requesting an exemption of the ORS in accordance with the Highway Program Office requirements. The exemption request is scheduled for an upcoming OTC meeting.

The packet should include a cover memo, a letter of request from the local agency or ODOT Region, a staff report from Region staff stating why the exemption should be approved or disapproved, information on freight stakeholders support or non-support of the request, and a map.

These are the minimum required items to be included in the packet. Depending on the project, there may be other items that should be included in the packet. The appropriate stakeholders should be informed of the upcoming OTC meeting well in advance.

**Step 5.** The OTC grants or does not grant the exemption.

**ORS 366.215 Creation of State Highways; Reduction in Vehicle-Carrying Capacity**

*(1) The Oregon Transportation Commission may select, establish, adopt, lay out, locate, alter, relocate, change and realign primary and secondary state highways.*

*(2) Except as provided in subsection (3) of this section, the commission may not permanently reduce the vehicle-carrying capacity of an identified freight route when altering, relocating, changing or realigning a state highway unless safety or access considerations require the reduction.*

*(3) A local government, as defined in ORS 174.116; may apply to the commission for an exemption from the prohibition in subsection (2) of this section. The commission shall grant the exemption if it finds the exemption is in the best interest of the state and freight movement is not unreasonably impeded by the exemption. [Amended by 1977 c.312 §2; 2003 c.618 §38]*

Attach. C

oil. + }

SECTION 18. { + (1) As used in this section, 'highway' has the meaning given that term in ORS 801.305.

(2) The Department of Transportation shall adopt rules, taking into consideration the following:

(a) Incorporating environmental performance standards into the design and construction of all state highway construction projects, including local government highway construction projects funded by the department.

(b) Improving the environmental permitting process for state highway construction projects in order to:

(A) Reduce the time required to design projects and obtain environmental permits;

(B) Reduce the cost and delay associated with redesigning projects to meet environmental requirements;

(C) Maintain a strong commitment to environmental stewardship; and

(D) Reduce this state's dependence on foreign oil. + }

SECTION 19. { + The Department of Transportation shall